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THE TREMONT STREET SPECIAL DISTRICT

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PLANNING FOR DOWNTOWN DEVELOPMENT IN THE 80'S ~ A PROPOSAL FOR BOSTON: THE TREMONT STREET SPECIAL DISTRICT

The Tremont Street Special District proposal is based upon the realities of inner city redevelopment in the future. Gone are the urban renewal days, with major public subsidies and the concern for quantity more often than quality. To be reckoned with now and in the future are public pressures for controlled growth and the economic uncertainties of new real estate investment.

Responding to these new pressures, the Tremont Special District builds on public policy experience in San Francisco and the special district approach pioneered in New York. In addition, the District proposal includes several unique provisions, the most important being less dependence on new construction and active markets for achieving the District Plan. This is achieved with tax incentives, as an alternative to floor area bonuses, which are given for recycling certain noteworthy buildings as well as pedestrian improvements to other existing structures (like arcades). This provision is particularly suited to Boston where the city is not continually renewing itself and where civic pride in older structures is paramount.

Because the District's street and lot configuration is old and irregular, the Special District proffers a coordinated approach between transportation and land use policies. Several streets are recommended for pedestrian-delivery use only. These connect to through-block arcades to be included in new developments and renovations.

An incremental approach to redevelopment through zoning processes is utilized in the Tremont District. As the District has disaggregated ownership patterns, the incremental implementation process enables the small property owner as well as large development interests to participate and consequently comprises a more sensitive approach than Boston's early urban renewal programs.

The Tremont District proposal is the outgrowth of studies done by the consultant for Boston's new Downtown Plan, scheduled for publication early next year.

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TREMONT STREET SPECIAL DISTRICT

PROGRAM

TASKS The proposal for the Tremont District, located at the heart of Boston's central business district, was the outgrowth of studies done by the consultant for the city's new Downtown Plan, scheduled for publication early next year. The District concept attempts to demonstrate to the Boston Redevelopment Authority (BRA) an innovative way of handling downtown development.

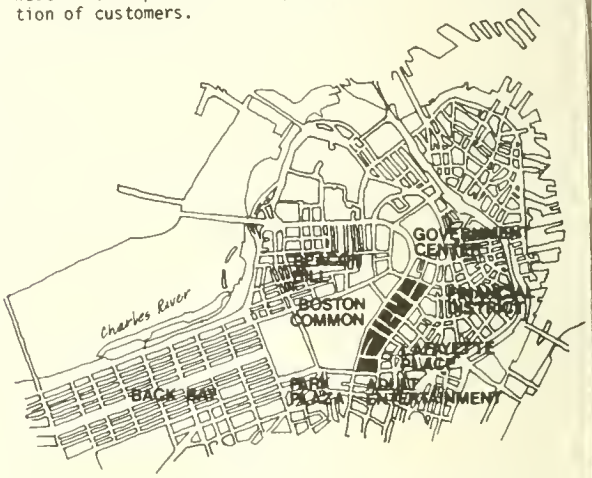
For the past two years, the BRA has been closing out its urban renewal projects, responding to the change in federal funding priorities from the categorical grant programs of the 1960's and early 1970's to new Community Development Block Grants (CDBG). In the mid-1960's, Boston ranked third nationally in attracting urban renewal grants (total revenue) and first on a per-capita basis. By 1980, however, Boston will receive through CDBG formula only one-ninth the amount of funds received from categorical grants in 1972. A major concern of the Authority is how planning is to be administered and development managed in the future without the economic leverage of urban renewal. Primary among the consultant's tasks was to show the Authority how new strategies, using a variety of implementation tools and benefiting from available resources, could be written into public policy.

Another concern of the Authority reflects past experience with community action and the urban renewal process. Early urban renewal projects such as the West End used the "bulldozer" approach. A more recent, ongoing project in Charlestown reflects a gradual change of attitude by the Authority toward a more sensitive community-based action program for rehabilitation of single-family dwellings by homeowners. Another task, therefore, was to identify the community in the Tremont District and to provide a means through which they could participate in the planning and development process. The Tremont District is fortunate to have an active retail group on Winter Street which has helped to outline specific objectives for the District.

A third concern which touches a sensitive nerve in the Authority has to do with the conflict between development interests and planning interests. Inner city office, retail and residential projects constructed during the past decade have averaged slightly over 15 F.A.R. (Floor Area Ratio), despite a zoning ceiling of 10. Under normal variance procedures, an increase above 10 could be justified if public improvements accompany new developments. However, in most cases, no improvements are recorded. It is a concern of the planners in the Authority that developers be made accountable for trade-offs between public goods and private costs. Another task is therefore, to determine to what extent the existing system needs administrative reform (see Addendum D).

The method of analysis used in the Tremont District Proposal can be summarized by three phases The planning analysis stage identifies the problems and opportunities of the District. The urban design proposal weighs various alternative improvements. The implementation program spells out the process which will be utilized to implement the proposal.

BOUNDARIES The Tremont District is circumscribed by a variety of land uses and recently announced projects which help to delineate the special district. The District is defined at the western edge by Tremont Street which borders Boston Common; at the southern edge by Boylston Street, the new Adult Entertainment Special District (zoning limitations imposed on adult entertainment to prevent their spread) and Park Plaza, Phase 2; at the eastern edge by three leading department stores and the newly announced Lafayette Place commercial, office and residential complex; at the northern edge by School Street and Government Center. School Street, one block south of Government Center, was selected instead of Court Street adjacent to City Hall Plaza because the block between the two streets is relatively "hard" from a development point of view due to several new and rehabilitated buildings. Washington Street is the divide between the large-parcel, special-interest department stores on the east and small-parcel retailer uses on the west which depend on the department stores for attraction of customers.



OPPORTUNITIES Why was the Tremont District selected? From earlier studies, it was apparent that adopting generalized strategy which involved the entire downtown would be a difficult task, if not a meaningless one. There are several reasons for this, the most important of which is the diversity within the downtown from social, economic and physical standpoints. To arrive at a generalized statement about all sub-areas would be unresponsive to varying needs of each sub-area. Tailor-made strategies are the latest thinking. The Downtown Plan classifies these sub-areas into three categories: Conservation (preserve historic buildings, protect ethnic neighborhoods, encourage rehabilitation, limit new construction), Development (Remove blight, build on vacant land, maximize new construction) and Controlled Growth (Rational development, gradual change, mixed conservation and new construction) Areas. The Tremont District is a "Controlled Growth Area."

The Tremont District has within it a number of links among many surrounding sites: Visual and pedestrian links between landmark buildings, open space, potential development sites and subway stations. The District is situated at the city's most accessible location, surrounded by six subway stations representing all four subway lines. The Tremont District is high in amenities with direct view and access to the Boston Common and several of the city's most notable landmarks. The area has remained relatively untouched despite rapid physical redevelopment of many sites in the nearby financial district in recent years. Recently announced developments immediately adjacent to the District, such as Park Plaza (Davis/Brody, architects) and Lafayette Place (I.M. Pei/

Associates, architects), have increased land speculation and the possibility of new development within the District. Developers of these projects have voiced interest to the Authority about public policy objectives for the Tremont District. Recent market analysis in the downtown shows demand for middle to high income apartments despite declines in office space demand.

PROBLEMS The major issues in the Tremont District can be grouped into four categories: noteworthy (historic) buildings; retail land use; pedestrian circulation; deliveries.

NOTEWORTHY (HISTORIC) BUILDINGS: Fortunately, the Tremont District, with one exception, has escaped the wholesale clearance of urban renewal and large-scale private projects. The average FAR of the District is 5.5 and for many of the significant older buildings is between 2.5 and 4.0. The Tremont District does not have any of Boston's "shrines," such as Faneuil Hall or Old North Church, but does contain a number of commendable nineteenth century commercial structures. Together, these buildings give the area consistent small scale and distinctive character. The awareness on the part of the Boston public of the city's place in American history makes conservation of these buildings an important objective.

Conservation of these buildings is associated with two distinct problems: first, building condition and the cost of fix-up and reuse; second, the diminishing demand for old buildings with square footages generally far below the allowed maximum under zoning. The second problem recently has caused the reversal of landmark designations and destruction of noteworthy buildings in Boston, New York and other American cities. Since the Tremont District is now zoned 10 FAR, there is incentive to tear down small older buildings, replacing them with new more FAR intensive developments.

RETAIL LAND USE: The Oistrict is characterized as a mixed-use area with small shops at the street level, class "C" (older) office space above, a few theaters and some residential uses. The character of retail uses changes from the northern to the southern portion of the District, the division taking place in the Temple Place-West Street block. Street-level uses are stable in the northern portion and relate closely to Government Center, the financial district and major department stores. Several parking lots and vacant buildings exist in the southern portion, an indicator of speculative land holdings pending the adjacent Lafayette Place and Park Plaza projects and of declining confidence in the neighborhood because of the unattractiveness of nearby adult entertainment uses.

Vacancies are 15 to 20% in the older "class-C" office space in the District. Many businesses have moved into newer "Class-A" accommodations surrounding Tremont District.

PEDESTRIAN CIRCULATION: The Tremont District is heavily used by pedestrians. Generally speaking, the level of service for pedestrian flow is inadequate and greatly in need of improvement.

Most pedestrian movement is generated by the Park Street and Washington Street subway stations. Pedestrian flows are destined for either the financial district (trips to work) or the retail department stores (shopping trips). Sidewalks are narrow on Winter and Washington Streets, where the greatest problem occurs (see Addendum B).

Subway entrances and exits to all stations bordering the District are in need of upgrading. Most were constructed at the turn of the century and do not reflect current standards or demands. Although the Park Street and Washington Street stations and the Boylston and Essex Street stations are in close proximity, there are no transfer connections between stations. A pedestrian tunnel exists beneath Winter Street but is not open for use; a connection between the Boylston and Essex Streets station is difficult because of utilities.

The District is laced with alley connections to the fire and service exits in the older structures. Generally, these are underutilized and if connected would have the potential of adding to the capacity of the pedestrian system.

DELIVERIES: All deliveries to shops in the Tremont District are made across sidewalks through front doors or via rear alley entrances. Parked trucks interfere with through traffic circulation and pedestrians, causing congestion on the narrow streets. Peak-hour traffic volumes are 50% of theoretical capacity, suggesting that the demand for vehicular access has adjusted to the supply available. Trucks often double-park because of illegally parked private autos occupying delivery areas.

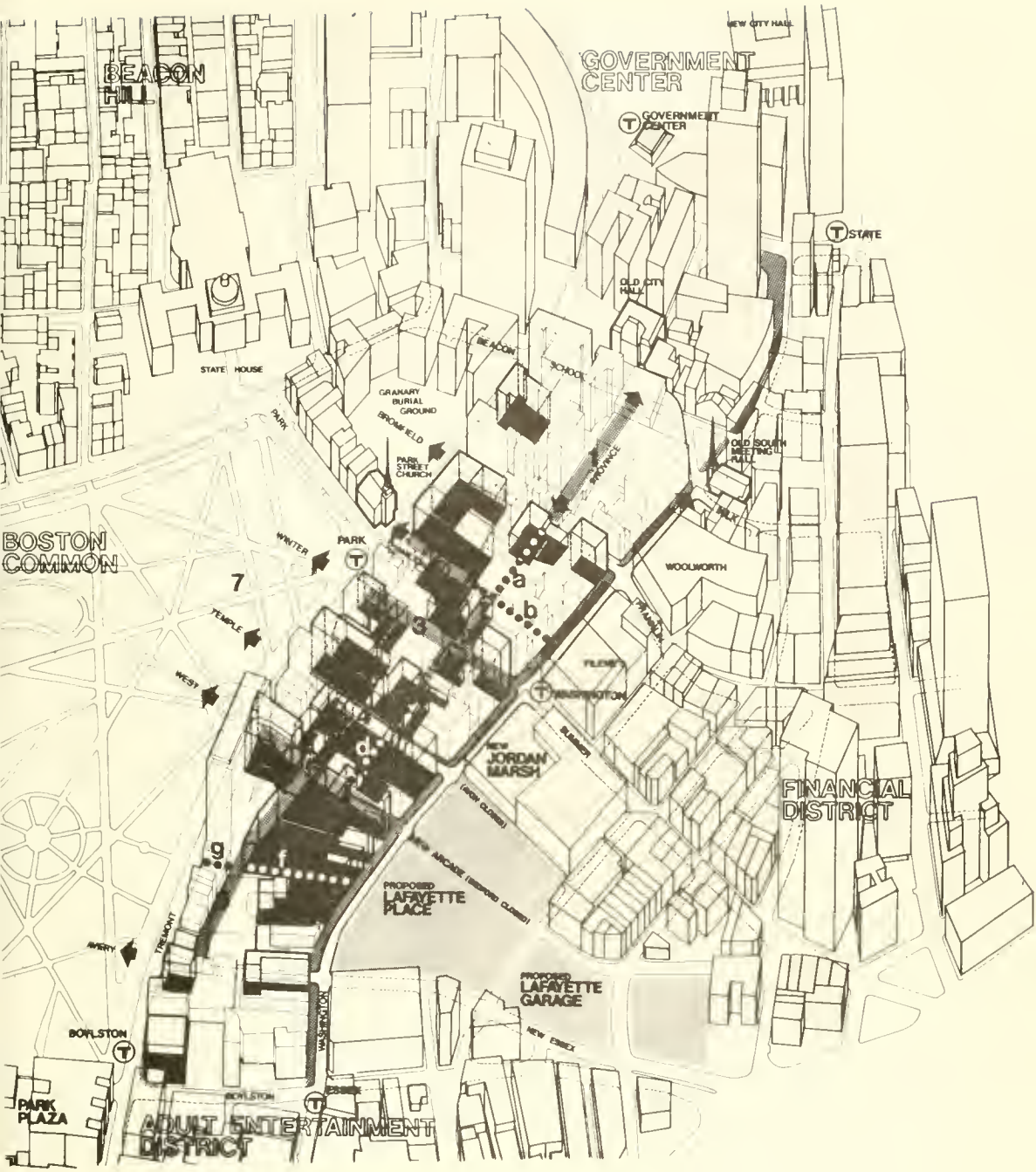
BASIS FOR ACTION Since urban renewal powers exercised by the BRA can only be used to a limited extent in future policy moves, the Authority must rely on traditional zoning powers for legitimacy of action. Under these powers, two types of action are possible: Mandatory private action, which requires the property owner to conform to public standards having to do with use, bulk FAR, and height and setback; and elective private action, which allows the property owners to choose between a number of options, including public improvements in exchange for certain concessions, generally additional bulk.

In addition to these types of action, a third, public action, will be used in the Tremont District to identify the provisions earmarked for public expenditure. Examples of these include special street paving, lighting and tree planting as well as subway and utility infrastructure improvements (see IMPLEMENTATION).

The following is a list of the Tremont Special District objectives and provisions derived from the opportunities and problems of the District. Each provision is applicable to new construction and/or existing buildings; and each is related to an appropriate type of action. The DESIGN PROPOSAL and IMPLEMENTATION sections explain in detail this chart.

OBJECTIVES AND PROVISIONS

Objectives	Provisions	For existing buildings (E) and/or new construction (N)	Type of action: public (P); mandatory private (MP); Elective Private (EP)	Rationale
a) To strengthen the CBD as the vital center of the metropolitan area by encouraging new investment	All provisions of the plan			
b) To create a 24-hr. center in the Tremont District	New residential uses	E/N	EP	Supportive of a downtown neighborhood easy walk to work, shop entertainment facilities; self-policing.
	Small legitimate theater and movie house uses.	E/N	EP	Supportive of "street life" and District image regional attraction.
c) To improve the retail market	New residential uses	E/N	EP	Supportive of convenience and regionally based retail.
	Mandatory retail prescribed by a special use list	E/N	MP	Supportive of 'street life' and general character of downtown retail.
d) To conserve present investment in sound buildings	Retain and rehabilitate 'priority' buildings (noteworthy)	E	EP	Supportive of the character of Old Boston; small scale; suitable for inactive markets.
e) To make the use of public transit more appealing	Connections between the street and subway station platforms or tunnels within private property	N	MP/EP	lessens congestion
	Transfer tunnel easement between Boylston and Essex subway stations within private property	N	MP	Convenience; lessens travel time.
f) To improve the pedestrian environment	Pedestrian/delivery streets: (1) Province Street	-	P/EP	Supportive of the relation between the Wesleyan Building and the Old City Hall; the entrance to the District's mid-block arcade system.
	(2) Winter Street	-	P/EP	Highest priority pedestrian zone.
	(3) West Street	-	P/EP	Link between the new Lafayette Place and the path system of Boston Common.
	Sidewalk widening: (1) Washington Mall	-	P	Highest priority pedestrian zone.
	(2) Temple Place	-	P/EP	Link to entrance of new Jordan Marsh; street beautification.
	Through block arcade	E/N	EP	New pedestrian system relieves congestion on Washington St.; better access to new bldgs.; increased retail frontage.
	Corner widenings	E/N	EP	Eases corner congestion.
	Special development fund	-	EP	To aid in the funding of specified public improvements.
g) To improve the delivery system	Pedestrian/delivery for delivery between 9:30 & 11:30 AM; between 2 & 4:30 PM; after 6 PM	-	P/EP	Ease of access free of congestion.
	Exclusive delivery lanes on Washington and Temple Place	-	P/EP	Ease of access
	Underground servicing for large developments	N	MP	Eases congestion on the surrounding street system.
h) To maintain the small scale character of the area & to insure light & air to public spaces	Height & setbacks	N	MP	Scale; light and air to public spaces.
	Sun-angle limitations	N	MP	light and air to public spaces.



TREMONT STREET SPECIAL DISTRICT

FIRST PRIORITY BUILDING FOR CONSERVATION	a ○○●●	THROUGH BLOCK ARCADE PREFERRED ALIGNMENT
SECOND PRIORITY BUILDING FOR CONSERVATION	5	SPECIAL PROJECT
STREET IMPROVEMENTS FOR PEDESTRIANS AND DELIVERY		SIGHT LINES

(OTHER PROVISIONS SEE 'DESIGN PROPOSAL')

DESIGN PROPOSAL

The design concepts of the Tremont District are derived from its strategic position in the downtown. Importance has been given to its "fit", stressing linkages between the District and its surrounding area.

Uses prescribed for the District are intended, 1) to encourage its mixed-use character (theaters, retail and residential); 2) to strengthen the retail trade by prescribing uses which intensify pedestrian circulation. This stresses the Tremont District as a 24-hour center.

Central to the design concept is a mid-block pedestrian system which will connect underutilized alleyways with new construction. This will add capacity to the existing pedestrian system with cut-throughs and new life at mid-block locations in large developments. The northerly entrance to the Districts' pedestrian system is defined at the Old City Hall, the Province Street improvement (pedestrian-delivery Street), and the Wesleyan Building (a First Priority Building); and at the south by the spacious neo-Baroque interior of the Savoy RKO Theater (a First Priority Building), where new development is encouraged by incentive to integrate the pedestrian system with the interior space. The character of the District will benefit from the conservation of older noteworthy buildings. The closing of Winter Street for pedestrian use and the opening of the tunnel which connects Park Street Station with Washington Street Station gives a central focus to the District.

BUILDING CONSERVATION In order to preserve noteworthy buildings and the character of the area, developments within the Special District which include buildings designated First Priority and Second Priority may elect to conserve these buildings in return for floor area or tax bonuses. Floor area bonuses must be transferred to an adjoining development site.

The selection of the priority buildings was done according to a building evaluation system being devised by the preservation staff of the BRA (see Addendum C). Establishing priorities was a serious consideration due to the proposed reduction in tax revenues; it is necessary to be fully accountable for the reduction. Eight First Priority and 39 Second Priority buildings have been selected. All were constructed during the late nineteenth century, except for Saint Paul's Cathedral, built in 1819, which is listed as a National Historic Landmark.

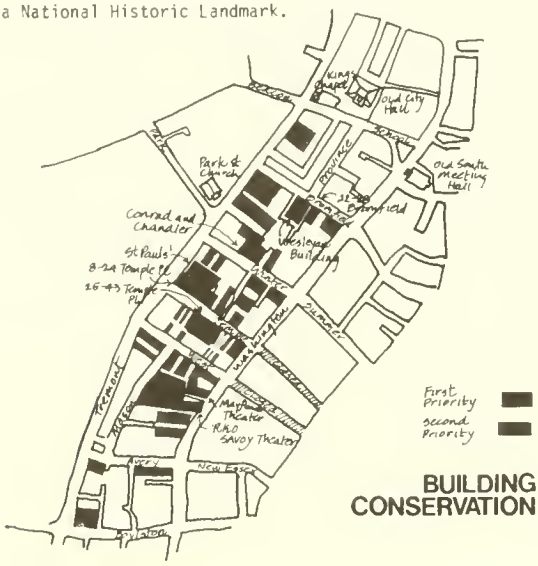
USE A broad list of retail uses (Use Group "T" for Tremont) which are recognized as pedestrian generators are mandated at the street level for all new development sites and leases (see Legislation, Addendum A). This is done to encourage street life and to discourage uses such as large bank and office lobbies which contribute little to this purpose.

Although the District is presently zoned for commercial and office use, new developments may take advantage of floor area incentives (see IMPLEMENTATION) for residential and theater uses. New residences will help support the retail market in the area, particularly for convenience shops. New theaters will complement existing legitimate theaters.

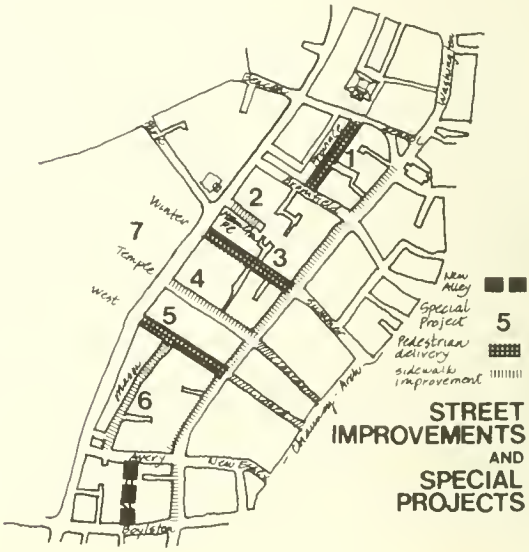
STREET IMPROVEMENTS Improvements to street vehicular capacity at two adjacent locations will enable several pedestrian right-of-way improvements within the District. The new Chauncy-Arch alignment will provide additional north bound capacity which will permit the construction of wider sidewalks along Washington Street. New Essex Street, to be built in conjunction with the Lafayette Place project, will carry westbound traffic to Avery Street and will lessen vehicular demand on Winter Street. This will free Winter Street from through traffic and allow it to be used exclusively as a pedestrian delivery street.

Two other streets, Province and West Streets, are proposed as joint pedestrian delivery streets. By regulating the hours of use (i.e. pedestrian use 7:00 to 9:30 A.M., noon to 2:00 P.M.,4:30 to 6:00 P.M.,and delivery all other times) both deliveries and pedestrians can be adequately served.

In terms of priorities, Winter Street is the most important street closing because of the intensity to pedestrian and delivery use there, and because of active interest by the Retail Association. West and Province Streets are next in importance. West Street will be closed in conjunction with the Lafayette Place project and link the new arcade of that project with the path system in Boston Common. Province Street, although not in as high a demand for service vehicles and pedestrians as the other two streets, provides the northern entrance to the mid-block pedestrian arcade system and a visual link between the Old City Hall and the Wesleyan Building. Province Street will have trees and benches and sunlight from its southern exposure.



BUILDING CONSERVATION



STREET IMPROVEMENTS AND SPECIAL PROJECTS

Originally, a sidewalk arcade system was considered as an alternative to the pedestrian-delivery street concept. It was, however, ruled unfeasible because of the conflict in objective of penetrating a sidewalk arcade through the facade of older buildings. Also, development trends in the Tremont District have been slow and generally take place on small parcels, making it difficult to achieve a complete sidewalk arcade system.

Mason Street is to continue to serve as a delivery alley. A new alley alignment is mandated for the block between Avery and Boylston Streets. Temple Place will have wider sidewalks.

LOT IMPROVEMENTS To alleviate problems associated with pedestrian safety and to provide new pedestrian ways in conjunction with new development, developers may elect to provide covered through-block arcades. Such arcades must connect two parallel streets or a street and an existing covered through-block arcade and must be open to the public from 7:00 AM to 9:00 PM. Because of the need to be flexible, arcade locations may occur anywhere within the shaded area (see map below) but generally prohibited within 100 feet of major street intersections and 50 feet of alleyway intersections. This allows a variety of development assemblages to construct an arcade. Arcades located at "Preferred Alignments" shall receive a 10% increase over the standard calculated floor area bonus. No arcade shall be constructed 100 feet or less from an existing arcade.

Since pedestrian congestion is particularly intense at corner locations, bonuses shall be given to developments for providing ground floor setbacks at the block corners (corner widenings).

Present facilities which provide access to subway platforms are old, constrained and in need of upgrading. Medium size and large developments which border platforms are required to provide a pedestrian connection between the street and the platform. The developers must meet Massachusetts Bay Transportation Authority standards.

An easement for a pedestrian transfer tunnel between Essex and Boylston Street Stations is mandated for all developments at the property line along the north side of Boylston Street. The space beneath Boylston Street was considered as an alternative but utility infrastructure made this impossible.

SPECIAL PROJECTS For the purpose of providing other improvements to the Special District, new developments may contribute to a special development fund in return for floor area bonus. The fund will use these contributions in conjunction with public funds to develop seven special projects.

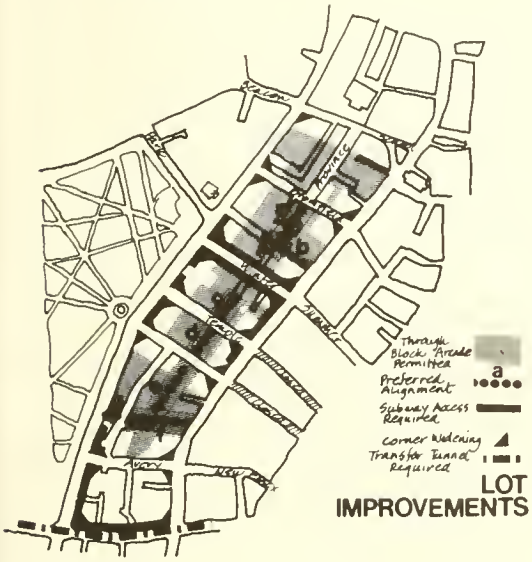
Special Projects 1 through 6 shall receive new street and sidewalk paving and lighting. Projects 1,4, and 5 shall include trees and seating. Project 7 shall be men and women's public conveniences in Boston Common. Before the public conveniences are constructed, the BRA shall be responsible for determining an appropriate method of maintaining the facilities.

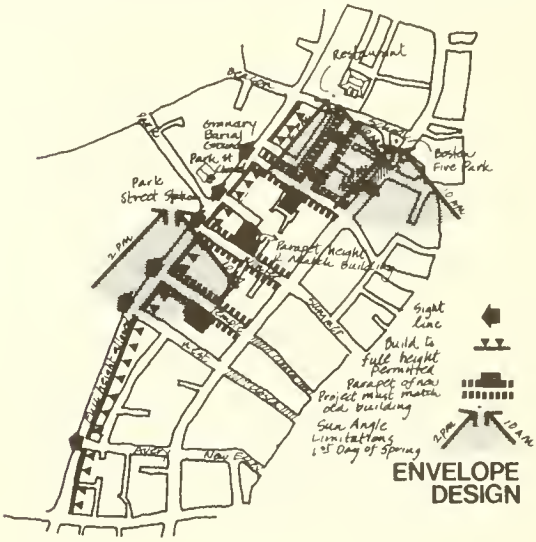
The fund is useful in enabling new development to round off its floor area, thereby allowing the top floor of a new building full coverage of the building (see INCENTIVE CHART). Limits are made to the amount of contribution.

ENVELOPE DESIGN In order to retain the small-scale character of the area and insure light and air to public spaces, height and setback limitations are required. All new developments must build to the street property line. The maximum height at the property line is the "mean parapet height" (see Addendum A) for each respective street-block. Exceptions to this are parapet heights established by three strategic First Priority buildings which supercede the mean parapet height standard. New developments on Tremont Street may build to the face of the street above the mean parapet height, thereby lessening development pressure at mid-block locations, where many priority buildings are located. Sun-angle limitations shall be imposed on new developments affecting the Boston Five Park, Old City Hall and the outdoor area at the Park Street Station.

Since there are several views and vistas from and through the District which should be conserved, sight-lines along major streets are not to be obstructed. Among the most significant are the views from Hamilton Place of Park Street Church; from the Wesleyan Building to Old City Hall, and vice versa; from Washington Street to the Old South Meeting Hall; from Bromfield Street to the Granary Burial Grounds, and from Lafayette Place to the Boston Common.

New developments will be allowed to build over alleyways as long as access is provided for pedestrian and delivery use. By electing to do this, new developments shall have a corresponding reduction of floor area (see Addendum A).

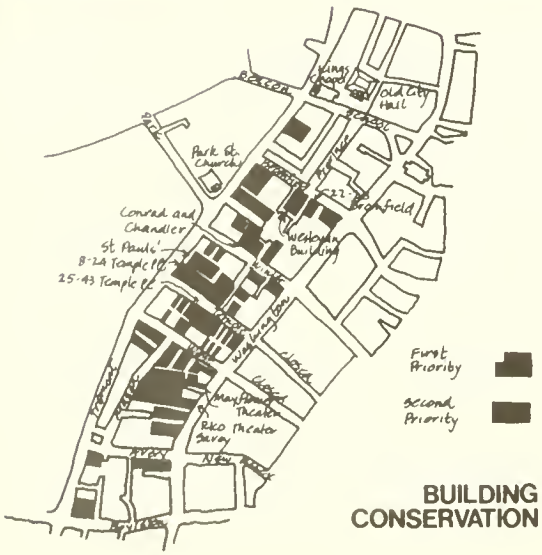




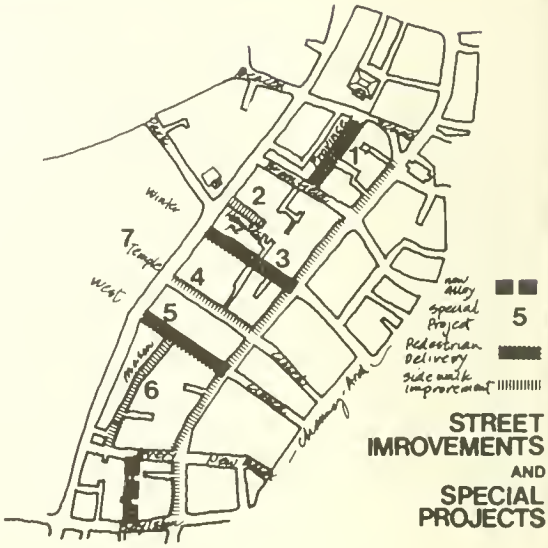
OLD CITY HALL

SCHOOL

PROVINCE ST. PEDESTRIAN/DELIVERY (SPECIAL PROJECT 1)



BUILDING CONSERVATION



STREET IMROVEMENTS AND SPECIAL PROJECTS

ELECTIVE
ROOFTOP RESTAURANT

ELECTIVE RESIDENTIAL

BERGDORF GOODMAN

ELECTIVE RETAIL

MANDATORY RETAIL

MANDATORY
SUBWAY CONNECTION

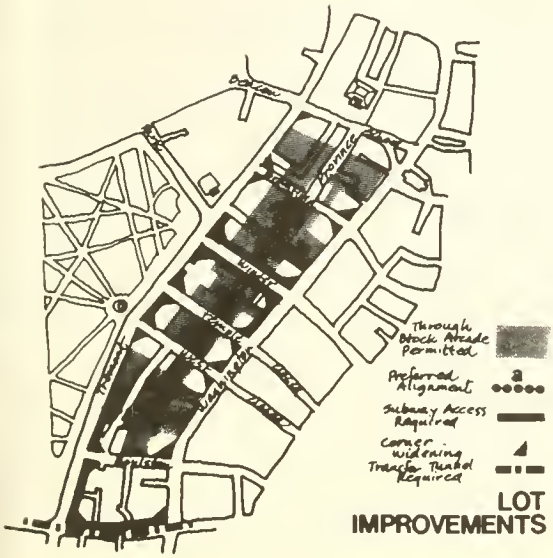
UNDERGROUND DELIVERY

WESLEYAN BUILDING
ELECTIVE
RETAIN & REHABILITATE

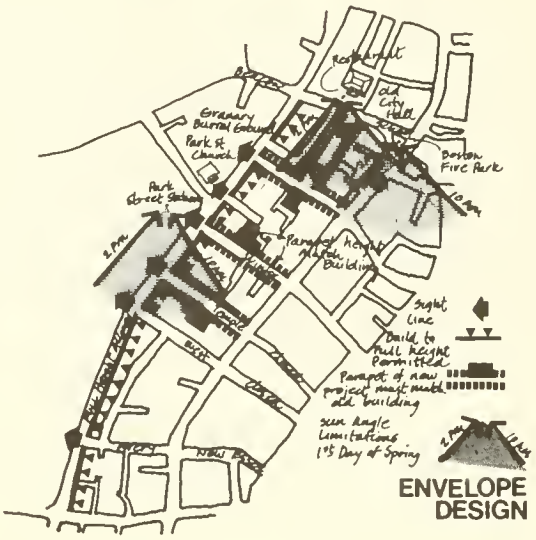
NEW CONSTRUCTION
ELECTIVE
THEATER

ELECTIVE
ARCADE

WINTER



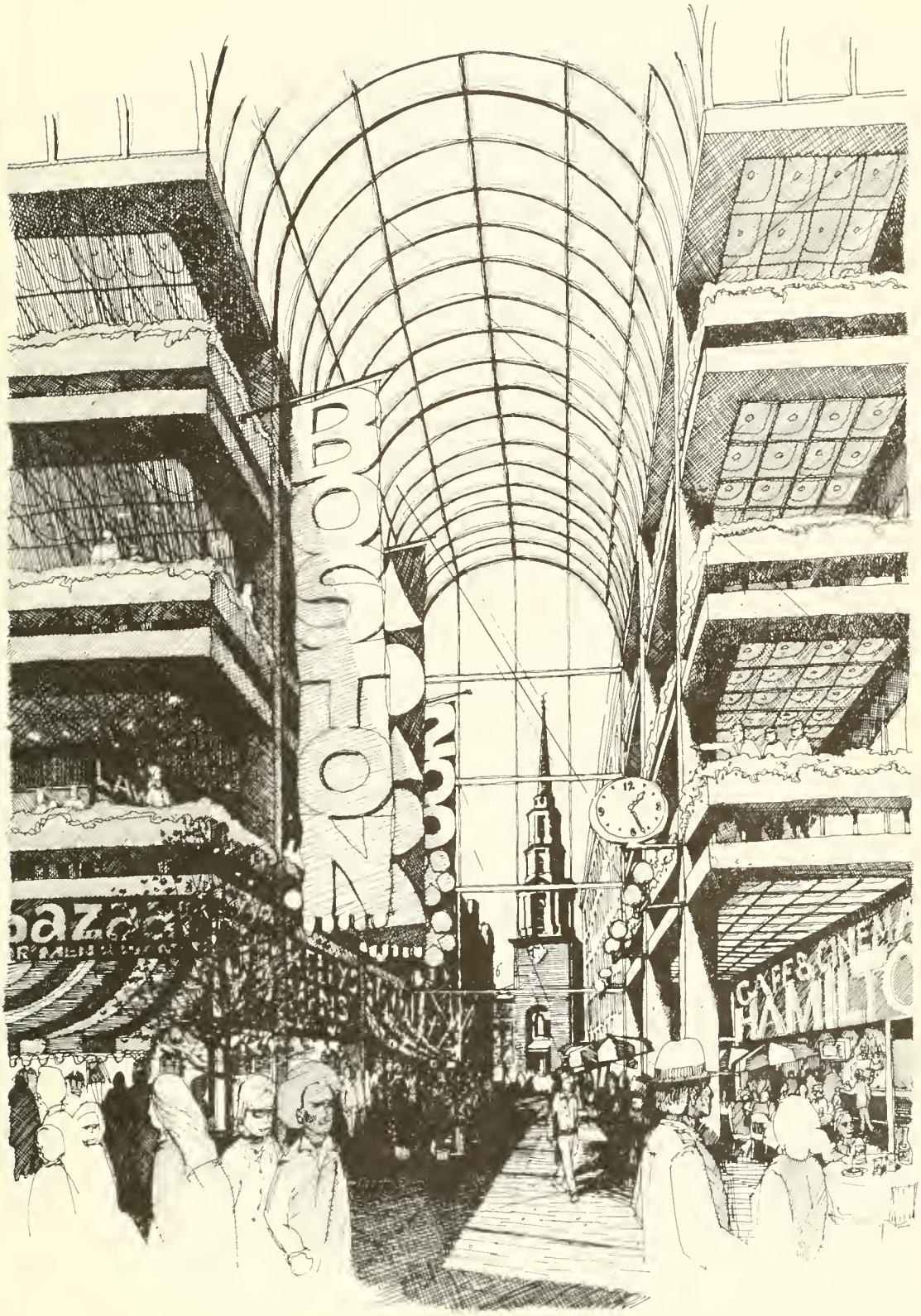
LOT IMPROVEMENTS



ENVELOPE DESIGN

PROVINCE PEDESTRIAN/DELIVERY STREET
AND WESLEYAN BUILDING CONSERVED

PREFERRED THROUGH BLOCK ARCADE ALIGNMENT "b"
AND SIGHT LINE OF PARK STREET CHURCH


BOSTON
CAFE & CINEMA
HAMILTON

IMPLEMENTATION

Implementation of the Tremont Street Special District Plan is the responsibility of both private and public sectors. Since public resources are limited, the District depends to a great extent on incentive zoning practices. As with the implementation of any urban design plan, priorities must be set. Giving weight to these reflects their importance in the plan from the point of view of the community and the BRA. Constraints on new development are imposed by mandatory zoning requirements as well as the possible use of public purchase. Other priorities are established by the weight given to them in terms of tax and floor area incentives.

With zoning processes as the central feature, the need for allowing flexibility in the implementation process is an important concession in the public/private development strategy. This is due to: 1) the nature of the objectives, which encourage new investment (new construction) as well as conserve existing investment (building conservation); 2) the nature of the decision-making process, which makes predicting exact land assemblages difficult; 3) the strength of the market forces in the District. Most development decisions made in the Tremont Special District, although highly structured by the zoning process, are still left to the discretion of the individual property owner. The implementation process recognizes a variety of benchmarks which allow for variations in the final design.

PRIVATE SECTOR The zoning district legislation specifies the limits of mandatory and elective provisions in guiding new developments towards achieving special district objectives. In the District, mandatory restrictions are made on use (i.e. Use Group "T"), bulk (base 10 FAR) and height and setbacks (40 feet from the mean parapet height, with certain exceptions--see Addendum A; sun-angle limitations; sight-lines).

The elective provisions involve specific improvements in exchange for additional floor area or tax benefits. These types of improvements are grouped: building conservation with and without new construction; lot improvements made to existing structures; improvements with new construction.

A developer and/or property owner may elect either floor area bonuses or tax benefits for conserving a First Priority or Second Priority building. These incentives are designed to conserve historic buildings despite the fluctuation of market pressure in the Tremont District. During active market periods, the property owner will prefer the floor area bonuses. In inactive market periods, the tax benefits will be more attractive.

The calculated incentives for building conservation are divided into two bonus categories: retention and rehabilitation. A developer can receive a bonus for each. Retention relates to the amount of unused floor area above a historic building. This can be calculated by subtracting the amount of floor area used by the building from the amount allowed under zoning, 10 FAR. The assumption is that under active market conditions, the greater the amount of unused floor area, the greater the demand by a new development and, therefore, the demolition of the historic building.

Rehabilitation relates to the amount of floor area actually used by the historic building and its condition. The aim of the bonus is to encourage fix-up. Three condition categories are defined by the legislation which include light alterations and major structural changes.

10.0 FAR
MAXIMUM ALLOWED IN THE UNDERLYING ZONE (B-10)

(=)

8.0 FAR
UNUSED FLOOR AREA, APPLY TO THE CALCULATION OF THE RETENTION BONUS

(+)

2.0 FAR ST PAUL'S
USED FLOOR AREA, APPLY TO THE CALCULATION OF THE REHABILITATION BONUS

The concept is illustrated in the table to the right for two buildings, one 2 FAR and the other 8 FAR. The bonuses for retention and rehabilitation are inversely related. As the priority building becomes larger, the retention bonus becomes less as the incentive to demolish the building is less. Concurrently, the rehabilitation bonus is more because the square footage is more and,therefore, the cost of fix-up is greater. The bulk study diagrams help to illustrate how the values work relative to each other within a developer's assemblage.

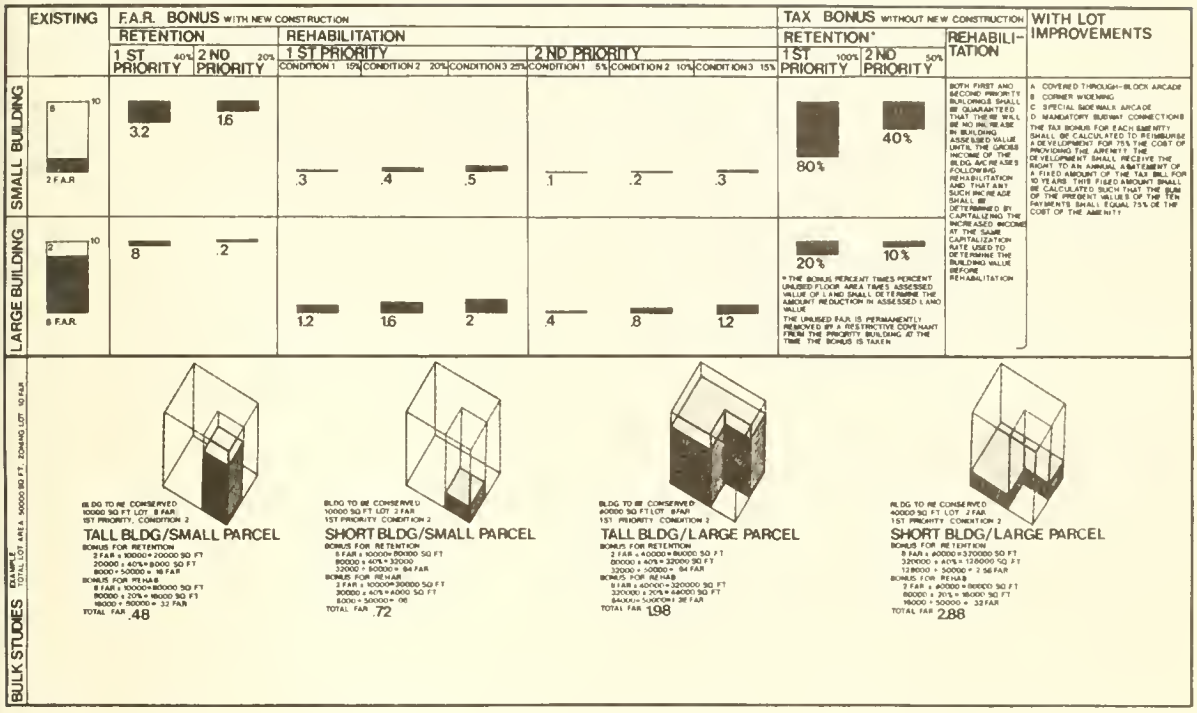
The tax incentive, which is calculated similarly, is well-suited to property owners of priority buildings which are not a part of a large development assemblage. For both retention and rehabilitation bonuses, the calculation addresses the assessment of the property: for retention, the assessed land value; for rehabilitation, the assessed building value. Since the assessed land value relates to its potential value under zoning (10 FAR), the assessed land value after retention is reduced to the actual value of the area of the building being retained. For retention of a First Priority, 2 FAR building, the property owner can elect to reduce the assessed land value of his property by a percentage determined by 100% times the unused floor area of the building. For the 2 FAR building, this amounts to a 80% reduction; for the 8 FAR building a 20% reduction. When the property owner elects to do this, the unused FAR is permanently removed from the site by a restrictive covenant in the deed.

The tax bonus for rehabilitation relates to the amount of value added to the assessed building value once the rehabilitation is completed. Normally, the assessed building value of a rehabilitated building is increased 80% to 100% the cost of rehabilitation. If the developer cannot significantly increase his rent structure, the increase expected in taxation will be a disincentive to rehabilitate. Therefore, the tax bonus for rehabilitation of both First and Second Priority buildings is that there will be no increase in building assessed value until the gross income of the building increases. When that occurs, the value of the increase will be determined by capitalizing the increased income at the same capitalization rate used to determine the building value before rehabilitation.

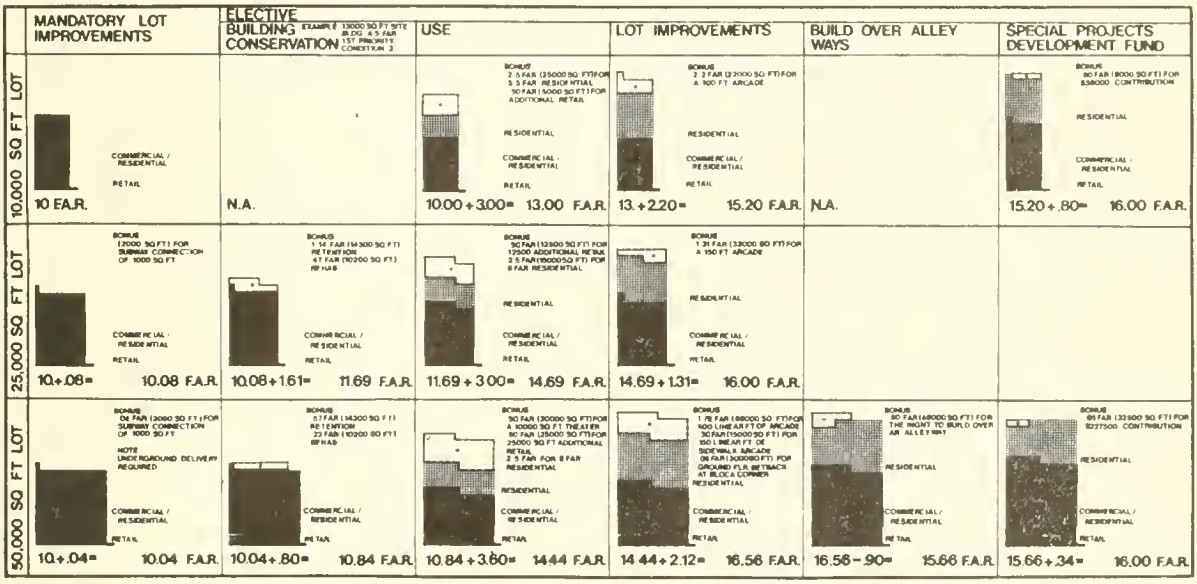
Another type of bonus is given to owners of existing buildings (not necessarily priority buildings) who include prescribed elective lot improvements in their building. The bonus can be taken in terms of additional floor area or as an annual tax abatement for 10 years

INCENTIVES

BUILDING CONSERVATION



NEW CONSTRUCTION



designed to return to the property owner 75% the cost of the improvement.

Lot improvements which are included in new construction are eligible for floor area bonuses. Examples of small (10,000 square feet), medium (25,000 square feet) and large (50,000 square feet) sites are outlined. Most weight is given in bonus to 1) building conservation, 2) residential use, 3) pedestrian through-block arcades. The incentive system favors medium size parcels which can reach the 16.00 FAR maximum most easily.

In the development process, the property owner consults the special district legislation before planning a project. Because the legislation specifies the plan, the owner first locates the site on the zoning map. From it the requirements and bonus options are determined. The FAR of the development is then calculated. Under no circumstances will a development exceed 16.0 FAR and in most cases developments will not reach this maximum. There are three potential assemblages in the Tremont District which are over 50,000 square feet and can reach the maximum. Recent trends indicate that most developments will occur on sites from 10,000 to 25,000 square feet.

PUBLIC SECTOR The plan for the Tremont District is to be administered by the BRA, which will be responsible for coordinating other public authorities. The City Traffic Department will have to expedite the closing of the pedestrian delivery streets. The MBTA has recently announced plans to open the pedestrian tunnel beneath Winter Street. Utilities in the streets within the Tremont District will eventually need replacement. In conjunction with the Lafayette Place project, a bond issue was recently passed by the City Council, which provides funds for the Washington Street sidewalk improvement. Another bond will be necessary to complete the special projects prescribed by the Tremont District plan.

FURTHER RECOMMENDATIONS AND PROGRESS TO DATE

1) Cost considerations: The first major development prospect in the Tremont Street Special District will provide the opportunity to firm-up the floor area and tax trade-offs. It is strongly suggested that the BRA employ at that time a cost consultant with recognized expertise to revise the trade-offs to reflect current development conditions. Included in the consultant's task should be a further analysis of base and maximum FAR, set on the basis of an analysis of absorption of land costs in both commercial and residential development.

The BRA has had several meetings in the past two months with a representative of Druker Properties, who own a 70,000 square foot site between Bromfield and Winter Streets. The Tremont Plan has been reviewed with them. Because they require additional bulk above 10 FAR, the BRA is in an excellent position to negotiate for certain District provisions. The Druker development is not scheduled for sometime which gives the Authority time to adopt the Plan and update the preliminary economic analysis.

2) Retail community: Because the provisions of the District Plan benefit retail trade in the CBD, meetings should be arranged with the major department stores in the surrounding area to explain the Tremont District.

Retailers on Winter Street within the District came to the BRA while the consultant was drafting the proposal. This allowed for a valuable exchange of ideas and adjustments to the Plan to reflect their concerns. They have sent a letter to the Mayor endorsing the objectives of the Tremont District Plan.

3) Air-rights transfer: Several cities have used air-rights transfer as a means for conserving historic buildings This type of policy is particularly suited for cities with consistent zoning and land use policies. Since Boston is weak in this respect, the Tremont District has avoided the use of air-rights transfer. When a more consistent policy is developed for the entire downtown, air-rights transfer should be considered as a supplement to Tremont District provisions.

4) Administration: Since the Special District outlines an integrated approach involving tax, zoning, and transportation policies, support from the Mayor is essential. This will also help to eliminate the problems associated with zoning variances (see Addendum E).

City of Boston

Kevin H. White, Mayor

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AUTHOR

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